

The Honorable Marsha J. Pechman

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON

IN RE WASHINGTON MUTUAL  
MORTGAGE BACKED SECURITIES  
LITIGATION,

This Document Relates to: ALL CASES

MASTER CASE NO. C09-037 MJP

**DECLARATION OF MICHAEL A.  
SANFILIPPO IN SUPPORT OF  
DEFENDANTS' REPLY IN SUPPORT OF  
THEIR MOTION TO PRECLUDE USE OF  
UNTIMELY DISCLOSED EXPERT  
OPINIONS OF IRA HOLT AND CHARLES  
D. COWAN PURSUANT TO FED. R. CIV.  
P. 37(c)(1)**

*Declaration of Michael A. Sanfilippo in Support of  
Defendants' Reply in Support of Their Motion To  
Preclude Use of Untimely Disclosed Expert Opinions of  
Ira Holt and Charles D. Cowan Pursuant to  
Fed. R. Civ. P. 37(c)(1) - (CV09-037 MJP)*

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1 I, MICHAEL A. SANFILIPPO, hereby declare as follows under penalty of  
2 perjury pursuant to 28 U.S.C. § 1746:

3 1. I am an attorney at law licensed to practice in the State of New York. I am an  
4 associate of the firm of Cravath, Swaine & Moore LLP, counsel of record for Defendants WaMu  
5 Asset Acceptance Corp. and WaMu Capital Corp. (collectively, the "WaMu Defendants") in this  
6 matter. I submit this declaration in support of Defendants' Reply in Support of Their Motion To  
7 Preclude Use of Untimely Disclosed Expert Opinions of Ira Holt and Charles D. Cowan Pursuant  
8 to Fed. R. Civ. P. 37(c)(1). By virtue of my representation of the WaMu Defendants in this  
9 matter, I have personal knowledge of the facts set forth below, or knowledge based on  
10 information and belief, and could and would testify competently to those facts if called to do so.

11 2. Attached as Exhibit 1 is a true and correct copy of one of the exhibits to the  
12 March 30, 2012 rebuttal expert report of Defendants' underwriting expert, George Ostendorf.  
13 Personally identifying and financial information has been redacted from the exhibit to protect the  
14 individual borrower's privacy. The exhibit illustrates the detailed analysis that Mr. Ostendorf  
15 undertook with respect to each loan that Mr. Holt claimed was materially defective (out of the  
16 original 424 loan sample). For each such loan, Mr. Ostendorf and his staff reviewed the  
17 applicable underwriting guidelines, the relevant loan file (which typically was at least several  
18 hundred pages long), populated 90 fields of information on the attached exhibit and, where  
19 appropriate, offered a point-by-point analysis and rebuttal of the alleged deficiencies raised by  
20 Mr. Holt.

21 I hereby declare, under penalty of perjury under the laws of the United States of  
22 America, that the foregoing is true and correct.

23 DATED this 22nd day of June, 2012, at New York, New York.

24   
Michael A. Sanfilippo

25  
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# **Exhibit 1**

Loan Identification									
(1)Loan Number:		Redaction		(2)Deal ID:		Redaction		(3)Tranche:	
(4)Borrower Name:		Redaction		(5)Co-Borrower Name:		Redaction		(6)Subject Property Address:	
Loan Type			Loan Profile				Property		
(7)Type:	Interest Only ARM	(12)Origination Date:	Redaction	(19)Original LTV:	Redaction	(25)Property Type:	Redaction	(29)2nd Appraisal Value:	Redaction
(8)ARM Features:	7/1 Libor	(13)Lock Date:	Redaction	(20)Doc Type:	Redaction	(26)# of Units:	Redaction	(30)2nd Appraisal Date:	Redaction
(9)CUG Date:	04/07/2006	(14)Closing Date:	Redaction	(21)Lien Position:	Redaction	(27)Appraisal Value:	Redaction	(31)Purchase Price:	Redaction
(10)PPG Date:	04/11/2006	(15)First Payment Date:	Redaction	(22)Other Financing:	Redaction	(28)Appraisal Date:	Redaction	(32)Original List Price:	Redaction
(11)Channel:	Premier Broker	(16)Original Balance:	Redaction	(23)MI?:	Redaction				
		(17)Qual. Note Rate:	Redaction	(24)Payment Shock Analysis Req?:	Redaction				
		(18)Initial Note Rate:	Redaction						
Loan Application									
(33)Loan Purpose:			Redaction		(35)Occupancy:		Redaction		(37)AUS & AUS Decision:
(34)First Time Home Buyer?			Redaction		(36)Total Number of Properties Owned:		Redaction		Redaction
Employment/Income					Liabilities				
(38)B1 Occupation:			Redaction		(49)B2 Occupation:		Redaction		(60)Mtg(s):
(39)B1 Employer:			Redaction		(50)B2 Employer:		Redaction		(61)Installments:
(40)B1 Employer City & State:			Redaction		(51)B2 Employer City & State:		Redaction		(62)Revolving:
(41)B1 Yrs in Industry:			Redaction		(52)B2 Yrs in Industry:		Redaction		(63)Garnishments:
(42)B1 Yrs in Job:			Redaction		(53)B2 Yrs in Job:		Redaction		(64)P&I:
(43)B1 3rd Party Verification Required?			Redaction		(54)B2 3rd Party Verification Required?		Redaction		(65)2nd Mtg:
(44)B1 Employer Verification Type:			Redaction		(55)B2 Employer Verification Type:		Redaction		(66)Taxes:
(45)B1 Monthly Income:			Redaction		(56)B2 Monthly Income:		Redaction		(67)HOI/HOA:
(46)B1 Citizenship?			Redaction		(57)B2 Citizenship?		Redaction		(68)Other:
(47)B1 SSN Available?			Redaction		(58)B2 SSN Available?		Redaction		(69)Total of (64) through (68):
(48)B1 Years in Previous Residence:			Redaction		(59)B2 Years in Previous Residence:		Redaction		
Credit Profile									
Comparison Analysis:	Guidelines	Guide Citation	Origination	Quattro	Holt	Variance	Quattro vs Holt	Comments	
(70)Housing Ratio:	27.690%	CUG pgs 6-10	Redaction			20.292%		Holt disallowed B2 income. See #89 below.	Redaction
(71)Debt to Income Ratio:	31.020%	CUG pgs 6-10	Redaction			28.147%		Holt disallowed B2 income. See #89 below.	Redaction
(72)PITI:	Portion of monthly payment	CUG pgs G-15	Redaction			\$102.46		Holt used lower taxes and insurance premium	
(73)Loan Amount:	\$1,000,000	PPG pgs 2-76	Redaction			\$0.00			
(74)Combined Loan Amount:	NA	NA	Redaction			\$0.00			
(75)Credit Score:	680	PPG pgs 2-67	Redaction			0			
(76)Trade Lines:	No Minimum	CUG pgs 3-13	Redaction			0			
(77)Mortgage/Rental History:	0x30 in last 12 mos	CUG pgs 3-20	Redaction			0			
(78)Income:	Must be reasonable	CUG pgs 4-3	Redaction			\$7,083.00		Holt disallowed B2 income. See #89 below.	Redaction
(79)Assets:	ID borrower acct info	CUG pgs 5-2	Redaction			\$256,715.16		Retirement statements and HUD from sale of existing residence in file.	
(80)Required Reserves in \$ & mos.:	6 Months PITI	CUG Pgs 5-5	Redaction			0			
(81)LTV:	90.00%	PPG pgs 2-76	Redaction			0.000%			
(82)CLTV:	NA	NA	Redaction			0.000%			
(83)Cash Out:	NA	NA	Redaction			\$0.00			
(84)Cash to Close:	Borrowers own funds	CUG pgs 5-2	Redaction			\$194,760.74		Retirement statements and HUD from sale of existing residence in file.	
(85)Payment Shock:	NA	NA	Redaction						
(86)Open Collections/Judgments/Liens:	NA	NA	Redaction						
Assessment of Loan Audit									
(87)Reported Defects:			(88)Assessment:				(89)Other:		
1. DTI exceeds guidelines when correctly calculated 2. Missing required verification of employment 3. Missing asset verification documentation 4. Missing approval documentation			1. B2 income is [Redacted] Work Number verification dated 04/13/2006, states date of hire [Redacted] is a [Redacted] and is an active employee. When B2 income is included, DTI is within published DTI guideline for manual underwriting: 30/38% (CUG pg. 6-10). 2. Work Number verification dated 04/13/2006, states date of hire [Redacted] is a [Redacted] Corporal and is an active employee. When B2 income is included DTI is within guidelines 3. Final HUD in file dated [Redacted] showing proceeds of [Redacted] on sale of previous residence. Funds to close for subject loan sent directly from the sale escrow 4. Final underwriting approval dated [Redacted] is in file				1. Regarding asset documentation, there is also a [Redacted] retirement statement in file for [Redacted] with a balance of [Redacted] which is not included in verified assets.		
3									
(90)Conclusion(Agree/Disagree):Disagree			HIGHLY CONFIDENTIAL				Ostendorf Reviewed: Yes		

**CERTIFICATE OF SERVICE**

I hereby certify that on the 22nd day of June, 2012, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the following:

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(CV09-037 MJP)

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10 DATED this 22nd day of June, 2012 at Seattle, Washington.

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